



Helping Credit Unions Serve Their Members

June 1, 2010

The Honorable Marc Corriveau
State Representative
State Capitol
P.O. Box 30014
Lansing, MI 48909

Dear Representative Corriveau,

On behalf of our 335 member credit unions, the Michigan Credit Union League (MCUL) has many concerns with HB 4623 that was referred to the House Senior Health, Security and Retirement Committee. We understand this bill is part of the larger legislative package that was introduced, at least partially as a result of the recommendations of the Michigan Task Force on Elder Abuse. The MCUL fully supports the goal of protecting seniors from financial abuse and credit unions every day work to safeguard our members and their assets.

From a policy perspective, HB 4623 is intended to address elder financial abuse. However, the bill would create a new disclosure and signature requirement for every joint account. When you couple this new requirement with the fact that financial institutions already provide disclosure(s) of all rights and responsibilities to account holders for each and every account a member opens, a duplicative and non-uniform requirement is created that results in unnecessary regulation.

Second, the requirement to have "each account holder sign and deliver to the credit union a written acknowledgement that the account holder has read and understands the disclosure" places even more regulatory burden on credit unions. This is labor intensive and will take a significant amount of additional time to acquire individual acknowledgement from each account owner which could delay the account opening process. Also, would there be a cutoff age for this requirement? Though current language has improved from earlier versions, the bill is still unnecessary and onerous.

Lastly, the Office of Financial and Insurance Regulation (OFIR) has a credit union division that is dedicated to maintaining the public confidence in Michigan state credit unions and ensures that they provide safe, sound, and reliable financial services to their members. Under the Michigan Credit Union Act (MCUA), OFIR already examines the condition and affairs of each domestic credit union, and may examine the condition and affairs of any subsidiary of a domestic credit union, not less frequently than once every 18 months. OFIR then determines whether the domestic credit union transacts its business in the manner prescribed by law and the rules promulgated under law. Our highly regulated credit unions and servicers are already examined and approved by OFIR, therefore, we trust that our current process for opening joint accounts and our summary of rights we provide our joint account holders is first rate.

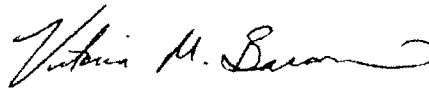
Credit unions continue to protect our members from financial abuse, however, trying to accomplish this goal by unnecessary regulations and limitations on products and services will not help realize the intent of the legislation. As this bill represents additional requirements that would be imposed on lenders and servicers, we

cannot support this legislation at this time. The MCUL appreciates the opportunity to comment on this bill and is looking forward to working with the sponsor, the Chairman and the entire committee in an effort to address our concerns.

Sincerely,



Jordan Kingdon
Director of Government Affairs



Vicki Baron
State Legislative Coordinator

cc: Senior Health, Security and Retirement Committee Chairman Andy Neumann and Members